



## American Gas Association

July 15, 2003

DAVID N. PARKER  
President and CEO

Ms. Christine Godfrey  
Chief, Regulatory Division  
Department of the Army  
New England District, Corps of Engineers  
696 Virginia Road  
Concord, MA 02135

**RE:** Islander East Pipeline Project

Dear Ms. Godfrey:

The American Gas Association (AGA) would like to take this opportunity to urge the Corps of Engineers (COE) to issue expeditiously the permits sought by the Islander East Pipeline Project in connection with the construction of its proposed natural gas transmission pipeline.

As you are aware, the Islander East Pipeline Project has been the subject of comprehensive reviews conducted by several federal and state agencies. In particular, the Federal Energy Regulatory Commission (FERC) has issued a certificate of public convenience and necessity authorizing construction of the Project, and the State of New York has issued all requested permits. FERC also has issued an order on rehearing affirming its original conclusions that the pipeline is required in order to deliver needed natural gas supplies and to enhance the safety and reliability of the United States northeast natural gas infrastructure.

The AGA believes it is important that the COE recognize the FERC's role as the lead agency in the federal evaluation and authorization of interstate pipeline projects such as Islander East. The FERC's traditional role as the lead agency has recently been reinforced by the May 2002 Inter-Agency Agreement among the FERC, the COE and eight other executive agencies and departments. That Agreement was executed under the auspices of two Executive Orders issued by President Bush, which recognize that energy infrastructure projects are essential to the country's well-being and direct that executive agencies expedite projects that increase the transmission of energy and strengthen pipeline safety. The Agreement specifically recognizes the FERC's role as the lead agency in evaluating interstate natural gas transmission projects and commits the FERC, the COE and the other signatories to expedite environmental permitting and review of such projects.

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We are aware of the COE's proposal to revise the FERC's definition of the purpose of the Islander East project. We are concerned that this would result in the COE revisiting matters that have already been thoroughly evaluated by the FERC, including routing alternatives, and that such a process would needlessly delay the construction of this critically needed project. It also would be inconsistent with the FERC's role as the lead agency and with the national objective of coordinated and expedited interagency review of natural gas infrastructure projects.

In support of our submissions, we note that on December 1, 2002, AGA released a significant new study, *From the Ground Up: America's Natural Gas Supply Challenge*. The study covers economic, environmental and national security issues affecting the nation's energy future. The study makes clear that demand for this efficient, environmentally friendly fuel is projected to grow by more than 50 percent during the next 20 years. However, without the necessary infrastructure expansion, the natural gas industry will have difficulty meeting consumer demand and, as Federal Reserve Chairman Alan Greenspan very recently observed, the inevitable result is a threat to economic growth in this country.

Further, growing dependence on foreign oil puts the nation at risk for disruptions and price spikes. Clearly it is in the national interest to rely more heavily on domestic energy sources, including clean-burning natural gas. Since a significant number of residences in the New York region are heated with imported home heating oil, prompting Congress to enact an expensive Northeast Home Heating Oil Reserve last year, the national security aspects of replacing fuel oil with North American natural gas must not be understated. Projects such as the Islander East Pipeline Project serve an important national security interest by helping to reduce our dependence on foreign oil.

In sum, we ask that your agency promptly approve the construction of the Islander East Pipeline Project as authorized, and as routed, by the FERC.

Sincerely,



David N. Parker

cc: The Honorable R. L. "Les" Brownlee  
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